



Las Vegas

Agenda Item No.: 51.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING ON: OCTOBER 4, 2006

DEPARTMENT: NEIGHBORHOOD SERVICES
DIRECTOR: STEPHEN HARSIN

Consent Discussion

SUBJECT:
Discussion and possible action regarding the Disposition and Development Agreement (DDA) between the City of Las Vegas and Habitat for Humanity Las Vegas for the construction of seven single family homes located at 1929, 1935, 1937, 1941, 1945, 1949 and 1953 Gregory Street - Ward 5 (Week 5)

Fiscal Impact

No Impact Augmentation Required
 Budget Funds Available Dept./Division:

Amount:
Funding Source:

PURPOSE/BACKGROUND:

The City Council approved entering into the DDA at its February 15, 2006 meeting. Habitat for Humanity Las Vegas is responsible for constructing and marketing seven single family homes for ownership by families earning 60 percent or less of area median income (AMI). The city will contribute the land as its affordable housing subsidy.

RECOMMENDATION:

Staff recommends that the City Council approve the DDA for the construction of single family homes for ownership and authorize the Mayor to execute any and all related agreements and documents required for this project.

BACKUP DOCUMENTATION:

1. Disposition and Development Agreement
2. Submitted after meeting Copy of Powerpoint Presentation

Motion made by LAWRENCE WEEKLY to Approve as recommended

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2
LOIS TARKANIAN, LAWRENCE WEEKLY, LARRY BROWN, GARY REESE, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-OSCAR B. GOODMAN, STEVE WOLFSON)

Minutes:

STEPHEN HARSIN, Director of Neighborhood Services, and GUY AMATO, Executive Director of Habitat for Humanity, gave a PowerPoint presentation, a copy of which is made a part of the minutes, to detail the project. Regarding the ninety-day timeline to pull permits, MR. AMATO noted that he anticipates it will take about six months to obtain permits, and construction should be completed within twelve months from pulling the permits.

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MR. AMATO noted that, in many discussions with the City and the community, the concept of maintaining an affordable stock of housing has come to the forefront, as land becomes more expensive and scarce. Habitat for Humanity has not previously worked in that type of environment. This project has caused the examination of Habitat for Humanity's policies and procedures, to look at how to build affordable homes. Generally, the homes have just been sold to homeowners and left them free to sell at will. Habitat for Humanity then would recoup the funds by holding a second mortgage. However, this formula is not the best, given the increasing cost of construction and scarcity of land. Thus, in examining the fifty-year relationship for this project, Habitat for Humanity realized that it had the opportunity to help homeowners continue to build equity. By buying the home back from the homeowner and being responsible for any rehabilitation, Habitat for Humanity can then maintain an affordable stock of housing to re-sell to potential families. This approach will be of tremendous benefit to Habitat for Humanity, because it will be less expensive to buy the homes back than to buy new land and build new homes; in the meantime, the homeowner is still building equity, based on the no-interest mortgage from Habitat for Humanity.

COUNCILMAN WEEKLY stated that he is very excited about the project, for which he thanked Neighborhood Services staff and Habitat for Humanity.

TOM McGOWAN, Las Vegas resident, questioned the range in prices of the homes, to which MR. AMATO answered that the two-bedroom homes will cost \$115,000 to \$120,000; the four-bedroom homes will cost \$130,000 to \$140,000. MR. McGOWAN then asked if this project would impact the Community Land Trust program, to which he received no answer.

MR. AMATO expressed his appreciation to COUNCILMAN WEEKLY and COUNCILWOMAN TARKANIAN for all their assistance.

